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August 21, 2006

BY HAND DELIVERY AND E-FILE

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-31

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Information Requests:

AG-2-1	AG-2-2	AG-2-3	AG-2-4
AG-2-5	AG-2-6	AG-2-7	AG-2-8
AG-2-9	AG-2-10	AG-2-11	AG-2-12
AG-2-13			

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Paul Osborne (DTE)  
A. John Sullivan (DTE)  
Alexander Cochis, Assistant Attorney General (4 copies)  
Charles Harak, Esq. (UWUA)  
Nicole Horberg Decter, Esq. (USW)  
Service List

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-1: Please confirm that the Department of Telecommunications and Energy has the authority under § 1265 of the Energy Policy Act of 2005, Pub. L. 109-58, to order the production of books, records, accounts and memoranda of holding companies and affiliates.

RESPONSE: Objection. The question calls for a legal conclusion.

COMMONWEALTH OF MASSACHUSETTS  
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AG 2-2: Please confirm that § 1265 of the Energy Policy Act of 2005 reads as follows:

**STATE ACCESS TO BOOKS AND RECORDS.**

- (a) IN GENERAL --Upon the written request of a State commission having jurisdiction to regulate a public-utility company in a holding company system, the holding company or any associate company or affiliate thereof, other than such public-utility company, wherever located, shall produce for inspection books, accounts, memoranda, and other records that—
  - (1) have been identified in reasonable detail in a proceeding before the State commission;
  - (2) the State commission determines are relevant to costs incurred by such public-utility company; and
  - (3) are necessary for the effective discharge of the responsibilities of the State commission with respect to such proceeding.
- (b) LIMITATION --Subsection (a) does not apply to any person that is a holding company solely by reason of ownership of one or more qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.).
- (c) CONFIDENTIALITY OF INFORMATION.--The production of books, accounts, memoranda, and other records under subsection (a) shall be subject to such terms and conditions as may be necessary and appropriate to safeguard against unwarranted disclosure to the public of any trade secrets or sensitive commercial information.
- (d) EFFECT ON STATE LAW.--Nothing in this section shall preempt applicable State law concerning the provision of books, accounts, memoranda, and other records, or in any way limit the rights of any State to obtain books, accounts, memoranda, and other records under any other Federal law, contract, or otherwise.
- (e) COURT JURISDICTION.--Any United States district court located in the State in which the State commission referred to in subsection (a) is located shall have jurisdiction to enforce compliance with this section provide copies of all discovery responses issued in response to requests from other participants in this proceeding.

If the Company does not confirm this text, produce a copy of § 1265 of the Energy Policy Act of 2005.

RESPONSE: Objection. The question seeks a legal conclusion. In addition, the statute speaks for itself.

Notwithstanding this objection, but rather, specifically maintaining it, Bay State will state that the quoted language appears to be that from the statute, however, section (e) ends with "enforce compliance with this section," and does not include the additional language appended by the Attorney General.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-3: Please state whether the Company uses a system of monthly, quarterly or yearly budgeting. For each of the years 1999-2006, please identify and produce a copy of these budgets for each department and cost category for the Company.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999<sup>1</sup> are irrelevant to this inquiry that takes place in 2006, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. Moreover, merely setting up a query to produce monthly and quarterly "budgets" by department and "cost category" for the period 1999-2006 (or as close as Bay State can get to that request, since it doesn't recognize this method) is estimated to take over a hundred hours of man-time and in total to research and produce the response, over a month of full-time work for one full time financial professional. Accordingly, the request is unduly burdensome.

Notwithstanding this objection, but rather specifically maintaining it, Bay State will state that this question will not produce the information it apparently seeks. In an effort at being cooperative, Bay State provides below more detail on the method upon which the Company creates an approved initial annual (or baseline) budget, or financial plan, for both its capital and operations and maintenance ("O&M") needs.

Bay State does not know what the Attorney General means by "a system of monthly, quarterly or yearly budgeting." Bay State develops an approved initial annual budget each year for each department, and each subsequent review of that initial annual budget is considered a "forecast"

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<sup>1</sup> While this new request seeks information from 1999 to 2004, AG-1-4 sought information back to 1998. That information would be extremely burdensome to obtain, as indicated by Bay State's supplemental response to AG-1-4. In 1998, Bay State conducted a fiscal/calendar year conversion, and shifted from to a calendar year convention commencing in 1999. The information is not stored in a uniform manner.

against the baseline budget. The Company notes that annual baseline budgets drive overall planning decisions, and monthly forecasts have little business relevance other than helping to project cash flow. Further, the Company does not prepare jurisdictional-specific budgets by department. Rather, Bay State-specific O&M budgets are prepared by cost type (or cost category), while capital budgets are prepared by activity.

The departments consulted in the annual budget development and approval process are numerous and reflect the complexity of Bay State's business. For instance, there are at least 20 department inputs into the development of Bay State's capital budget alone. On the O&M side, O&M annual budgets are developed for field operations, engineering and field services; regulatory affairs; communications; metering; environmental health & safety; customer call center; energy supply services; energy products and services; demand side management; service company charges, including financial accounting, employee benefits, revenue recovery, insurance, risk management and more. The initial annual budget developed by each department and subsequently submitted for management approval is based largely on the prior year's experience, including adjusted forecasts, and takes into consideration known risks, opportunities, and business changes. The initial annual budget includes estimates and adjustments that reflect reasonable and appropriate expectations for each cost type.

The overall baseline budget setting process, including both the development and approval phases, can be best described as iterative. It commences with a corporate time line for the budget review process, and provides guidelines for delivery of information. This process can commence as early as March of the prior year. Then department heads are provided with actual and estimated information for the current year. The department heads use this information to examine whether they can forecast any changes both to the existing year and to the following year's baseline budget. The financial accountants are looking for narrative information, business needs and changes from each department head. These numbers (with adjustments) are then put into the Company's financial management system, Lawson, and then sent back to the respective department heads for additional refinements or sign-off.

Lawson stores baseline budgets for capital based on activity levels associated with a given function. This is often referred to as activity based costing. Lawson also stores cost type and activity-based O&M budget information. This process allows managers to assess current financials as well as the prospective budget for the following year. Lawson also maintains the general ledger, manages accounts payable, inventory, payroll distribution, and until this year was the repository of plant accounting information (recently migrated to PowerPlant).

The Bay State budgets entered into Lawson are then rolled up into Khalix, which is the standardized budget program for NiSource's Energy Distribution East group. Khalix feeds Hyperion, which looks cross-NiSource to examine cost elements. Khalix and Hyperion only examine cost elements on a NiSource-wide basis. Hyperion coordinates different software and databases, making the development and approval of a total-NiSource financial plan possible. Hyperion allows NiSource's corporate budgeting group and senior managers to gather the information it needs to examine across the organization, actuals, forecasts and modeling in order to both approve reasonable and appropriate budgets and meet federal financial and reporting requirements. These software systems have been coordinating NiSource's financials since 2001.

Each quarter the monthly department forecasts can be rolled into quarterly forecasts. The jurisdictional forecasts are available monthly by Khalix cost element, but are not broken down to show the departments by each jurisdiction. The cross-state department forecasts are updated on the quarters, but do not separate the cross-state departments into states except by approximation (i.e., percentage) used until 2006. Again, these are not budgets, per say, and Bay State does not have Massachusetts-only forecasts off-the-shelf, either on a monthly or quarterly basis. Bay State does not maintain them by jurisdiction and department, although different department heads may have requested this information for their own management purposes over the 7 year span requested by the Attorney General. Bay State cannot, as the question would seem to request, produce a copy of monthly and quarterly forecasts for each department and cost category for the Company for each of the years 1999-2006. The information is not maintained in this manner. In order to obtain this information, the Khalix system would have to be queried by cost element specific to Bay State. There are literally hundreds of cost categories grouped in Khalix so that NiSource can examine how much it spends on capital, such as pipe, for example, or on A&G, such as travel. In order to address what may have been intended by the Attorney General, each department would have to be identified as a Bay State only department, isolated, stored and then arranged by cost element category. Setting up the query alone is estimated to take over a hundred hours of man-time. Then the query would have to be run for each month and quarter for 7 years. The work effort for this one inquiry, which has yet to be properly requested and shown to be germane to the proceeding, would be over a month of full-time work for one full time financial professional.

The best description of the "budget" itself is that it is a living document reflective of all of the needs and demands of an organization the size of Bay State, which at no time is static. It feeds each month into the living document that is the financial plan of NiSource, again reflecting the needs and demands of each of the NiSource distribution, pipeline, storage and service affiliates. It is the job of senior NiSource management to ensure

that each of the NiSource affiliates is efficient and obtains the finances it needs to run safely and reliably.

Each month, each department at Bay State receives a copy of the actual costs versus the baseline budgets. For each month, the NiSource enterprise-wide forecast is updated based on the latest information that a reasonable company would use to monitor its financials, including forecasts of previously unknown non-discretionary capital needs, material changes, financial systems, IT systems, sales and revenue changes, as such applies to that department. Each monthly forecast is altered by known changes. Routinely senior management will issue initiatives to seek cost reductions or revenue enhancements, some are large (such as outsourcing or competitive bidding requirements) and some are small. Department heads will seek prudent methods to reach such initiatives and to pursue safe, reliable, least cost utility service in a cost-effective manner, while meeting or exceeding service quality benchmarks.

At the end of the year, known changes plus actual experience becomes the next year's baseline budget.

Please see Attachment AG-2-3 (A) for the Company's approved annual baseline O&M budgets, year end actual expenses and the variance for 1999 through 2006.

Please see Attachment AG-2-3 (B) for the Company's approved annual baseline capital budgets, year end actual expenses and the variance for 1999 through 2006.

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**1999**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	38,126	35,587	2,539
MATERIALS & SUPPLIES	5,227	4,919	308
OUTSIDE SERVICES	13,928	10,426	3,503
LEASES	10,798	9,247	1,551
INSURANCE	1,956	776	1,180
EMPLOYEE EXPENSES	2,076	1,096	980
COMPANY MEMBERSHIPS	601	499	102
UTILITIES	2,100	2,402	(302)
CORPORATE SERVICES FEES	1,324	1,182	141
UNCOLLECTIBLES	2,164	1,789	374
UNCOLLECTIBLE TRACKER	0	0	0
MISC & OTHER EXPENSES	(2,771)	688	(3,459)
LDAC TRACKERS	0	0	0
MEDICAL INSURANCE	3,819	3,569	250
LIFE INSURANCE	257	276	(18)
OTHER EMPLOYEE BENEFITS	531	251	279
OPEB MEDICAL & LIFE	(100)	995	(1,094)
EMPLOYEE BENEFITS TRANSFERRED	(2,082)	(1,977)	(105)
PENSION / RETIREMENT PLAN	175	1,238	(1,063)
THRIFT PLAN	1,048	1,001	48
PROFIT SHARING	0	0	0
ADVERTISING	1,889	944	945
VEHICLE AND STORES COSTS	2,250	2,353	(103)
O&M EXPENSES	83,317	77,261	6,056
NON-UTILITY O&M EXPENSES	296	(1,339)	1,635
TOTAL OPERATION & MAINTENANCE	83,613	75,922	7,691



**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2000**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	39,383	38,228	1,156
MATERIALS & SUPPLIES	4,737	4,581	156
OUTSIDE SERVICES	12,320	12,275	44
LEASES	8,493	8,561	(69)
INSURANCE	2,050	566	1,484
EMPLOYEE EXPENSES	1,582	1,044	538
COMPANY MEMBERSHIPS	466	498	(32)
UTILITIES	2,320	2,569	(249)
CORPORATE SERVICES FEES	4,515	4,493	22
UNCOLLECTIBLES	2,407	3,443	(1,037)
UNCOLLECTIBLE TRACKER	0	0	0
MISC & OTHER EXPENSES	(2,326)	(3,591)	1,266
LDAC TRACKERS	0	0	0
MEDICAL INSURANCE	4,256	4,090	166
LIFE INSURANCE	205	158	48
OTHER EMPLOYEE BENEFITS	(238)	(1,021)	784
OPEB MEDICAL & LIFE	996	1,144	(148)
EMPLOYEE BENEFITS TRANSFERRED	(2,608)	(1,751)	(857)
PENSION / RETIREMENT PLAN	758	496	262
THRIFT PLAN	1,056	1,132	(76)
PROFIT SHARING	0	0	0
ADVERTISING	575	446	130
VEHICLE AND STORES COSTS	2,424	2,940	(516)
O&M EXPENSES	83,372	80,300	3,071
NON-UTILITY O&M EXPENSES	1,978	2,424	(446)
TOTAL OPERATION & MAINTENANCE	85,350	82,724	2,625

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2001**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	33,811	33,780	31
MATERIALS & SUPPLIES	4,139	4,028	112
OUTSIDE SERVICES	7,720	7,249	470
LEASES	8,070	7,871	199
INSURANCE	966	808	158
EMPLOYEE EXPENSES	1,686	781	904
COMPANY MEMBERSHIPS	445	234	211
UTILITIES	839	1,197	(358)
CORPORATE SERVICES FEES	12,144	17,171	(5,027)
UNCOLLECTIBLES	2,294	1,085	1,209
UNCOLLECTIBLE TRACKER	0	0	0
MISC & OTHER EXPENSES	(3,845)	(3,249)	(595)
LDAC TRACKERS	0	0	0
MEDICAL INSURANCE	4,572	4,102	470
LIFE INSURANCE	209	222	(13)
OTHER EMPLOYEE BENEFITS	(278)	(359)	82
OPEB MEDICAL & LIFE	1,364	1,195	169
EMPLOYEE BENEFITS TRANSFERRED	(1,896)	(2,328)	432
PENSION / RETIREMENT PLAN	(278)	(122)	(156)
THRIFT PLAN	1,010	1,068	(58)
PROFIT SHARING	0	0	0
ADVERTISING	743	605	138
VEHICLE AND STORES COSTS	2,892	2,987	(95)
O&M EXPENSES	76,607	78,323	(1,716)
NON-UTILITY O&M EXPENSES	2,146	337	1,809
TOTAL OPERATION & MAINTENANCE	78,752	78,660	92

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2002**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	25,013	25,420	(407)
MATERIALS & SUPPLIES	3,052	3,894	(842)
OUTSIDE SERVICES	5,290	4,221	1,068
LEASES	9,737	8,620	1,118
INSURANCE	1,565	279	1,286
EMPLOYEE EXPENSES	644	593	51
COMPANY MEMBERSHIPS	331	262	69
UTILITIES	1,960	2,519	(559)
CORPORATE SERVICES FEES	19,853	23,982	(4,129)
UNCOLLECTIBLES	1,900	6,730	(4,830)
UNCOLLECTIBLE TRACKER	0	1,373	(1,373)
MISC & OTHER EXPENSES	(10,288)	3,862	(14,150)
LDAC TRACKERS	0	1,568	(1,568)
MEDICAL INSURANCE	5,802	4,892	910
LIFE INSURANCE	185	295	(110)
OTHER EMPLOYEE BENEFITS	(356)	873	(1,230)
OPEB MEDICAL & LIFE	1,316	3,121	(1,805)
EMPLOYEE BENEFITS TRANSFERRED	(1,921)	(3,161)	1,240
PENSION / RETIREMENT PLAN	253	1,285	(1,033)
THRIFT PLAN	913	956	(43)
PROFIT SHARING	0	0	0
ADVERTISING	827	387	440
VEHICLE AND STORES COSTS	2,839	3,119	(280)
O&M EXPENSES	68,915	95,091	(26,176)
NON-UTILITY O&M EXPENSES	2,384	(2,791)	5,175
TOTAL OPERATION & MAINTENANCE	71,299	92,300	(21,001)

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2003**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	23,975	24,008	(34)
MATERIALS & SUPPLIES	4,366	3,628	738
OUTSIDE SERVICES	3,799	4,218	(419)
LEASES	6,540	6,564	(24)
INSURANCE	1,363	1,275	88
EMPLOYEE EXPENSES	393	472	(79)
COMPANY MEMBERSHIPS	130	138	(8)
UTILITIES	3,020	3,126	(107)
CORPORATE SERVICES FEES	21,715	22,158	(443)
UNCOLLECTIBLES	1,784	5,743	(3,959)
UNCOLLECTIBLE TRACKER	3,810	5,304	(1,494)
MISC & OTHER EXPENSES	(2,631)	(265)	(2,366)
LDAC TRACKERS	5,814	6,640	(826)
MEDICAL INSURANCE	3,979	4,160	(181)
LIFE INSURANCE	185	302	(117)
OTHER EMPLOYEE BENEFITS	530	595	(65)
OPEB MEDICAL & LIFE	3,945	3,478	467
EMPLOYEE BENEFITS TRANSFERRED	(2,976)	(3,906)	930
PENSION / RETIREMENT PLAN	3,870	4,157	(287)
THRIFT PLAN	1,024	716	308
PROFIT SHARING	0	0	0
ADVERTISING	676	204	471
VEHICLE AND STORES COSTS	2,800	3,592	(792)
O&M EXPENSES	88,110	96,308	(8,199)
NON-UTILITY O&M EXPENSES	1,957	2,339	(381)
TOTAL OPERATION & MAINTENANCE	90,067	98,647	(8,580)

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2004**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	23,377	25,326	(1,949)
MATERIALS & SUPPLIES	4,002	3,917	84
OUTSIDE SERVICES	4,884	5,349	(465)
LEASES	8,534	8,016	517
INSURANCE	1,645	2,301	(657)
EMPLOYEE EXPENSES	324	310	14
COMPANY MEMBERSHIPS	399	161	237
UTILITIES	2,225	2,289	(65)
CORPORATE SERVICES FEES	23,923	24,177	(254)
UNCOLLECTIBLES	4,546	3,612	934
UNCOLLECTIBLE TRACKER	5,315	5,290	25
MISC & OTHER EXPENSES	(1,702)	359	(2,061)
LDAC TRACKERS	6,262	3,937	2,325
MEDICAL INSURANCE	4,451	4,483	(32)
LIFE INSURANCE	159	238	(79)
OTHER EMPLOYEE BENEFITS	560	617	(57)
OPEB MEDICAL & LIFE	3,618	3,327	291
EMPLOYEE BENEFITS TRANSFERRED	(2,945)	(3,835)	890
PENSION / RETIREMENT PLAN	4,088	4,046	42
THRIFT PLAN	1,256	793	463
PROFIT SHARING	70	21	49
ADVERTISING	356	257	98
VEHICLE AND STORES COSTS	3,685	3,828	(143)
O&M EXPENSES	99,030	98,820	210
NON-UTILITY O&M EXPENSES	1,861	2,540	(679)
TOTAL OPERATION & MAINTENANCE	100,891	101,360	(469)

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2005**  
**(000's)**

	BASELINE	ACTUAL	VARIANCE
LABOR	25,791	25,893	(102)
MATERIALS & SUPPLIES	4,424	3,452	972
OUTSIDE SERVICES	6,191	5,820	371
LEASES	8,159	5,888	2,271
INSURANCE	2,386	2,255	131
EMPLOYEE EXPENSES	566	391	175
COMPANY MEMBERSHIPS	272	225	46
UTILITIES	2,162	2,714	(551)
CORPORATE SERVICES FEES	23,137	27,889	(4,753)
UNCOLLECTIBLES	4,429	3,895	534
UNCOLLECTIBLE TRACKER	8,195	8,470	(275)
MISC & OTHER EXPENSES	(503)	88	(592)
LDAC TRACKERS	5,940	6,518	(578)
MEDICAL INSURANCE	5,273	5,315	(42)
LIFE INSURANCE	166	201	(35)
OTHER EMPLOYEE BENEFITS	519	795	(276)
OPEB MEDICAL & LIFE	3,441	2,952	489
EMPLOYEE BENEFITS TRANSFERRED	(4,148)	(4,441)	293
PENSION / RETIREMENT PLAN	4,124	3,860	264
THRIFT PLAN	758	899	(141)
PROFIT SHARING	0	0	0
ADVERTISING	311	229	82
VEHICLE AND STORES COSTS	3,848	3,831	17
O&M EXPENSES	105,438	107,138	(1,700)
NON-UTILITY O&M EXPENSES	2,670	3,044	(375)
TOTAL OPERATION & MAINTENANCE	108,108	110,183	(2,075)

**BAY STATE GAS COMPANY**  
**O&M Expenses**  
**Baseline Budget, Year End Actual and Variance**  
**2006**  
**(000's)**

	BASELINE	ACTUAL
LABOR	26,559	
MATERIALS & SUPPLIES	2,396	
OUTSIDE SERVICES	5,845	
LEASES	4,335	
INSURANCE	2,441	
EMPLOYEE EXPENSES	451	
COMPANY MEMBERSHIPS	243	
UTILITIES	1,906	
CORPORATE SERVICES FEES	22,560	
UNCOLLECTIBLES	5,055	
UNCOLLECTIBLE TRACKER	11,560	
MISC & OTHER EXPENSES	1,172	
LDAC TRACKERS	12,585	
MEDICAL INSURANCE	5,125	
LIFE INSURANCE	133	
OTHER EMPLOYEE BENEFITS	570	
OPEB MEDICAL & LIFE	0	
EMPLOYEE BENEFITS TRANSFERRED	(2,036)	
PENSION / RETIREMENT PLAN	222	
THRIFT PLAN	816	
PROFIT SHARING	0	
ADVERTISING	273	
VEHICLE AND STORES COSTS	4,141	
O&M EXPENSES	106,351	
NON-UTILITY O&M EXPENSES	2,835	
TOTAL OPERATION & MAINTENANCE	<u>109,186</u>	

**MASSACHUSETTS  
CALENDAR YEAR 1999 - CAPITAL SPENDING  
Month Ending December 31, 1999**

	(Col 1) Twelve Mos. Actual 12/99	(Col 2) No Mos. Remain Plan	(Col 3) Adjustments to Remain Plan	(Col 4) Revised Remain Plan	(Col 5) Transfers	(Col 1 + 4 + 5) Year-End Forecast	Original Plan	Variance Over(Under)
<b>GROWTH</b>								
New Mains Installed								
Units	183,258	0	0	0	0	183,258	264,721	(81,463)
Unit Cost	\$11.68					\$11.68	\$9.28	\$2.40
Dollars	2,140,369	0	0	0	0	2,140,369	2,457,299	(316,930)
New Residential Service								
Units	2,836	0	0	0	0	2,836	3,568	(732)
Unit Cost	\$1,072.83					\$1,072.83	\$1,084.62	(\$11.79)
Dollars	3,042,550	0	0	0	0	3,042,550	3,869,920	(827,370)
New C&I Service								
Units	514	0	0	0	0	514	530	(16)
Unit Cost	\$2,001.02					\$2,001.02	\$1,697.54	\$303.49
Dollars	1,028,526	0	0	0	0	1,028,526	899,694	128,832
New Residential Meters								
Units	4,050	0	0	0	0	4,050	4,504	(454)
Unit Cost	\$60.52					\$60.52	\$65.19	(\$4.67)
Dollars	245,115	0	0	0	0	245,115	293,612	(48,497)
New C&I Meters								
Units	538	0	0	0	0	538	821	(283)
Unit Cost	\$735.86					\$735.86	\$772.25	(\$36.39)
Dollars	395,894	0	0	0	0	395,894	634,021	(238,127)
Special Projects	14,042	0	0	0	0	14,042	0	14,042
<b>Total Growth</b>	<b>6,866,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,866,495</b>	<b>8,154,546</b>	<b>(1,288,051)</b>
<b>RENTALS</b>								
New Resid CB								
Units	439	0	0	0	0	439	792	(353)
Unit Cost	\$838.57					\$838.57	\$894.65	(\$56.07)
Dollars	368,133	0	0	0	0	368,133	708,561	(340,428)
New C&I CB								
Units	21	0	0	0	0	21	65	(44)
Unit Cost	\$1,496.06					\$1,496.06	\$1,869.74	(\$373.67)
Dollars	31,417	0	0	0	0	31,417	121,533	(90,116)
New Water Heaters								
Units	0	0	0	0	0	0	0	0
Unit Cost								\$0.00
Dollars	26,244	0	0	0	0	26,244	0	26,244
Replacement Water Heater								
Units	5,541	0	0	0	0	5,541	0	5,541
Unit Cost	\$400.26					\$400.26		\$400.26
Dollars	2,217,834	0	0	0	0	2,217,834	0	2,217,834
<b>Total Rentals</b>	<b>2,643,629</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,643,629</b>	<b>830,094</b>	<b>1,813,535</b>
<b>METER WORK</b>								
Upgrade Meter Fits								
Units	1,733	0	0	0	0	1,733	2,005	(272)
Unit Cost	\$223.24					\$223.24	\$241.83	(\$18.59)
Dollars	386,874	0	0	0	0	386,874	484,876	(98,002)
Instrumentation								
Units	350	0	0	0	0	350	425	(75)
Unit Cost	\$76.87					\$76.87	\$409.38	(\$332.51)
Dollars	26,905	0	0	0	0	26,905	173,987	(147,082)
Relocate Meter Fits								
Units	403	0	0	0	0	403	252	151
Unit Cost	\$184.50					\$184.50	\$133.14	\$51.36
Dollars	74,353	0	0	0	0	74,353	33,551	40,802
Residential Metscan								
Units	2,604	0	0	0	0	2,604	13,000	(10,396)
Unit Cost	\$111.68					\$111.68	\$67.04	\$44.64
Dollars	290,808	0	0	0	0	290,808	871,525	(580,717)
C&I Metscan								
Units	1,606	0	0	0	0	1,606	4,100	(2,494)
Unit Cost	\$99.16					\$99.16	\$142.92	(\$43.77)
Dollars	159,247	0	0	0	0	159,247	585,992	(426,745)
<b>Total Meter Work</b>	<b>938,186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>938,186</b>	<b>2,149,931</b>	<b>(1,211,745)</b>



**MASSACHUSETTS  
CALENDAR YEAR 1999 - CAPITAL SPENDING  
Month Ending December 31, 1999**

	(Col 1) Twelve Mos. Actual 12/99	(Col 2) No Mos. Remain Plan	(Col 3) Adjustments to Remain Plan	(Col 4) Revised Remain Plan	(Col 5) Transfers	(Col 1 + 4 + 5) Year-End Forecast	Original Plan	Variance Over(Under)
<b>REPLACEMENTS</b>								
Replacement Mains								
Units	105,223	0	0	0	0	105,223	141,817	(36,594)
Unit Cost	\$58.23					\$58.23	\$31.49	\$26.74
Dollars	6,127,510	0	0	0	0	6,127,510	4,466,324	1,661,186
Replacement Resid Serv								
Units	1,723	0	0	0	0	1,723	1,700	23
Unit Cost	\$1,122.15					\$1,122.15	\$976.59	\$145.56
Dollars	1,933,466	0	0	0	0	1,933,466	1,660,200	273,266
Replacement C&I Serv								
Units	78	0	0	0	0	78	125	(47)
Unit Cost	\$1,953.15					\$1,953.15	\$1,599.60	\$353.55
Dollars	152,346	0	0	0	0	152,346	199,950	(47,604)
Uprate								
Units	45	0	0	0	0	45	0	45
Unit Cost	\$477.59					\$477.59		\$477.59
Dollars	21,491	0	0	0	0	21,491	0	21,491
Joint Sealing								
Units	584	0	0	0	0	584	384	200
Unit Cost	\$553.61					\$553.61	\$443.28	\$110.33
Dollars	323,309	0	0	0	0	323,309	170,221	153,088
Keyholing								
Units	738	0	0	0	0	738	642	96
Unit Cost	\$613.44					\$613.44	\$534.76	\$78.68
Dollars	452,716	0	0	0	0	452,716	343,314	109,402
Cathodic Protection								
Units	326	0	0	0	0	326	338	(12)
Unit Cost	\$888.08					\$888.08	\$818.05	\$70.03
Dollars	289,515	0	0	0	0	289,515	276,500	13,015
Tie-Over								
Units	1,042	0	0	0	0	1,042	606	436
Unit Cost	\$391.22					\$391.22	\$799.13	(\$407.91)
Dollars	407,653	0	0	0	0	407,653	484,272	(76,619)
Misc- Meter Barriers								
Units	508	0	0	0	0	508	554	(46)
Unit Cost	\$97.90					\$97.90	\$225.75	(\$127.85)
Dollars	49,731	0	0	0	0	49,731	125,065	(75,334)
Special Projects	456,810	0	0	0	0	456,810	1,830,000	(1,373,190)
<b>Total Replacements</b>	<b>10,214,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,214,548</b>	<b>9,555,846</b>	<b>658,702</b>
<b>ENGINEERING &amp; FACILITIES</b>								
Indirects	627,729	0	0	0	0	627,729	947,093	(319,364)
Regulators	361,263	0	0	0	0	361,263	438,000	(76,737)
Plant Work	468,548	0	0	0	0	468,548	1,354,000	(885,452)
Transportation	73,374	0	0	0	0	73,374	235,300	(161,926)
Meter Purchases	1,041,509	0	0	0	0	1,041,509	736,407	305,102
Small Projects	210,000	0	0	0	0	210,000	202,800	7,200
Special Projects	12,786,562	0	0	0	0	12,786,562	600,000	12,186,562
Meter Shop	274,927	0	0	0	0	274,927	35,810	239,117
<b>Total Meter Shop</b>	<b>15,843,911</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,843,911</b>	<b>4,549,410</b>	<b>11,294,501</b>
<b>GENERAL CAPITAL</b>								
Indirects	3,623,550	0	0	0	0	3,623,550	3,375,227	248,323
Office Equipment	176,235	0	0	0	0	176,235	83,500	92,735
Technology	22,830,014	0	0	0	0	22,830,014	13,970,500	8,859,514
Other Equipment	754,509	0	0	0	0	754,509	460,100	294,409
Small Projects	5,300	0	0	0	0	5,300	250,000	(244,700)
<b>Total General Capital</b>	<b>27,389,608</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,389,608</b>	<b>18,139,327</b>	<b>9,250,281</b>
Overheads	3,790,531	0	0	0	0	3,790,531	6,242,814	(2,452,283)
Corporate Indirect Lab. Tr.	0	0	0	0	0	0	0	0
Financial Adjustment	0	0	0	0	0	0	(420,409)	420,409
<b>Total Corporate Services</b>	<b>31,180,139</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,180,139</b>	<b>23,961,732</b>	<b>7,218,407</b>
<b>Total LDC Capital</b>	<b>67,686,908</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,686,908</b>	<b>49,201,559</b>	<b>18,485,349</b>



MASSACHUSETTS  
CALENDAR YEAR 2000 - CAPITAL SPENDING  
Month Ending December 31, 2000

	(Col 1) 12 Months Actual 12/00	(Col 2) 12 Months Actual 12/00	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2000 Plan	Variance Over(Under)
Units	2,398	2,157	241	0	0	0	0	2,398	2,157	241
Unit Cost	\$881.73	\$925.57	\$489.32					\$881.73	\$925.57	(\$43.84)
Dollars	2,114,381	1,996,455	117,926	0	0	0	0	2,114,381	1,996,455	117,926
Replacement C&I Serv										
Units	53	145	(92)	0	0	0	0	53	145	(92)
Unit Cost	\$1,768.51	\$1,464.14	\$1,288.79					\$1,768.51	\$1,464.14	\$304.37
Dollars	93,731	212,300	(118,569)	0	0	0	0	93,731	212,300	(118,569)
Uprate										
Units	0	0	0	0	0	0	0	0	0	0
Unit Cost										#VALUE!
Dollars	88,581	0	88,581	0	0	0	(42,872)	45,709	0	45,709
Joint Sealing										
Units	428	450	(22)	0	0	0	0	428	450	(22)
Unit Cost	\$831.19	\$467.21	(\$6,613.77)					\$831.19	\$467.21	\$363.98
Dollars	355,748	210,245	145,503	0	0	0	0	355,748	210,245	145,503
Keyholing										
Units	602	850	(248)	0	0	0	0	602	850	(248)
Unit Cost	\$601.34	\$361.18	(\$221.80)					\$601.34	\$361.18	\$240.16
Dollars	362,007	307,000	55,007	0	0	0	0	362,007	307,000	55,007
Cathodic Protection										
Units	927	330	597	0	0	0	0	927	330	597
Unit Cost	\$263.82	\$781.44	(\$22.31)					\$263.82	\$781.44	(\$517.62)
Dollars	244,559	257,876	(13,317)	0	0	0	0	244,559	257,876	(13,317)
Tie-Over										
Units	477	1,135	(658)	0	0	0	0	477	1,135	(658)
Unit Cost	\$471.83	\$459.30	\$450.21					\$471.83	\$459.30	\$12.54
Dollars	225,065	521,300	(296,235)	0	0	0	0	225,065	521,300	(296,235)
Misc- Meter Barriers										
Units	325	368	(43)	0	0	0	0	325	368	(43)
Unit Cost	\$118.85	\$137.33	\$276.98					\$118.85	\$137.33	(\$18.48)
Dollars	38,626	50,536	(11,910)	0	0	0	0	38,626	50,536	(11,910)
Special Projects	52,325	976,000	(923,675)	0	0	0	187,846	240,171	976,000	(735,829)
<b>Total Replacements</b>	<b>8,483,166</b>	<b>8,412,195</b>	<b>70,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(42,872)</b>	<b>8,440,294</b>	<b>8,412,195</b>	<b>28,099</b>
<b>ENGINEERING &amp; FACILITIES</b>										
Indirects	0	0	0	0	0	0	0	0	0	0
Regulators	145,896	443,000	(297,104)	0	0	0	(11,947)	133,949	443,000	(309,051)
Plant Work	31,286	61,000	(29,714)	0	0	0	270	31,556	61,000	(29,444)
Transportation	25,467	122,000	(96,533)	0	0	0	(4,785)	20,682	122,000	(101,318)
Meter Purchases	705,510	797,624	(92,114)	0	0	0	0	705,510	797,624	(92,114)
Small Projects	49,819	126,000	(76,181)	0	0	0	275	50,094	126,000	(75,906)
Special Projects	45,945	125,000	(79,055)	0	0	0	93,967	139,912	125,000	14,912
Meter Shop	49,442	35,800	13,642	0	0	0	0	49,442	35,800	13,642
<b>Total Meter Shop</b>	<b>1,053,365</b>	<b>1,710,424</b>	<b>(657,059)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77,780</b>	<b>1,131,145</b>	<b>1,710,424</b>	<b>(579,279)</b>
<b>GENERAL CAPITAL</b>										
Indirects	4,276,172	4,180,255	95,917	0	0	0	0	4,276,172	4,180,255	95,917
Office Equipment	42,898	64,053	(21,155)	0	0	0	0	42,898	64,053	(21,155)
Technology	4,480,535	4,475,700	4,835	0	0	0	(65,197)	4,415,338	4,475,700	(60,362)
Other Equipment	142,541	254,550	(112,009)	0	0	0	(30,901)	111,640	254,550	(142,910)
Small Projects	1,876	20,000	(18,124)	0	0	0	0	1,876	20,000	(18,124)
<b>Total General Capital</b>	<b>8,944,022</b>	<b>8,994,558</b>	<b>(50,536)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(96,098)</b>	<b>8,847,924</b>	<b>8,994,558</b>	<b>(146,634)</b>
Overheads	3,605,090	4,317,368	(712,278)	0	0	0	0	3,605,090	4,317,368	(712,278)
Corporate Indirect Lab. Tr.	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0
<b>Total Corporate Services</b>	<b>12,549,112</b>	<b>13,311,926</b>	<b>(762,814)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(96,098)</b>	<b>12,453,014</b>	<b>13,311,926</b>	<b>(858,912)</b>
<b>Total LDC Capital</b>	<b>33,736,573</b>	<b>35,134,770</b>	<b>(1,398,197)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,736,573</b>	<b>35,134,770</b>	<b>(1,398,197)</b>

**MASSACHUSETTS  
CALENDAR YEAR 2001 - CAPITAL SPENDING  
Month Ending December 31, 2001**

	(Col 1) 12 Months Actual 12/01	(Col 2) 12 Months Budget 12/01	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2001 Plan	Variance Over(Under)
<b>GROWTH</b>										
New Mains Installed										
Units	168,113	221,037	(52,924)	0	0	0	0	168,113	221,037	(52,924)
Unit Cost	\$11.20	\$9.47	\$1.74					\$11.20	\$9.47	\$1.74
Dollars	1,883,209	2,092,234	(209,025)	0	0	0	0	1,883,209	2,092,234	(209,025)
New Residential Service										
Units	2,092	3,120	(1,028)	0	0	0	0	2,092	3,120	(1,028)
Unit Cost	\$1,358.17	\$1,071.95	\$286.22					\$1,358.17	\$1,071.95	\$286.22
Dollars	2,841,300	3,344,483	(503,183)	0	0	0	0	2,841,300	3,344,483	(503,183)
New C&I Service										
Units	448	583	(135)	0	0	0	0	448	583	(135)
Unit Cost	\$2,289.81	\$1,788.18	\$501.64					\$2,289.81	\$1,788.18	\$501.64
Dollars	1,025,837	1,042,507	(16,670)	0	0	0	0	1,025,837	1,042,507	(16,670)
New Residential Meters										
Units	3,320	3,771	(451)	0	0	0	0	3,320	3,771	(451)
Unit Cost	\$65.31	\$63.55	\$1.76					\$65.31	\$63.55	\$1.76
Dollars	216,830	239,637	(22,807)	0	0	0	0	216,830	239,637	(22,807)
New C&I Meters										
Units	305	706	(401)	0	0	0	0	305	706	(401)
Unit Cost	\$1,283.64	\$855.84	\$427.80					\$1,283.64	\$855.84	\$427.80
Dollars	391,509	604,221	(212,712)	0	0	0	0	391,509	604,221	(212,712)
BMIP	14,423	0	14,423	0	0	0	0	14,423	0	14,423
Special Projects	1,387,148	740,000	647,148	0	0	0	0	1,387,148	740,000	647,148
<b>Total Growth</b>	<b>7,760,256</b>	<b>8,063,082</b>	<b>(302,827)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,760,256</b>	<b>8,063,082</b>	<b>(302,827)</b>
<b>RENTALS</b>										
New Resid CB										
Units	104	582	(478)	0	0	0	0	104	582	(478)
Unit Cost	\$1,195.25	\$1,048.30	\$146.95					\$1,195.25	\$1,048.30	\$146.95
Dollars	124,306	610,113	(485,807)	0	0	0	0	124,306	610,113	(485,807)
New C&I CB										
Units	5	73	(68)	0	0	0	0	5	73	(68)
Unit Cost	\$6,928.00	\$1,931.48	\$4,996.52					\$6,928.00	\$1,931.48	\$4,996.52
Dollars	34,640	140,998	(106,358)	0	0	0	0	34,640	140,998	(106,358)
New Water Heaters										
Units	1,415	1,469	(54)	0	0	0	0	1,415	1,469	(54)
Unit Cost	\$476.07	\$438.63	\$37.44					\$476.07	\$438.63	\$37.44
Dollars	673,633	644,342	29,291	0	0	0	0	673,633	644,342	29,291
Replacement Water Heater										
Units	2,214	2,206	8	0	0	0	0	2,214	2,206	8
Unit Cost	\$502.51	\$412.87	\$89.64					\$502.51	\$412.87	\$89.64
Dollars	1,112,568	910,802	201,766	0	0	0	0	1,112,568	910,802	201,766
<b>Total Rentals</b>	<b>1,945,147</b>	<b>2,306,255</b>	<b>(361,108)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,945,147</b>	<b>2,306,255</b>	<b>(361,108)</b>
<b>METER WORK</b>										
Upgrade Meter Fits										
Units	2,071	1,565	506	0	0	0	0	2,071	1,565	506
Unit Cost	\$112.81	\$278.44	(\$165.63)					\$112.81	\$278.44	(\$165.63)
Dollars	233,621	435,754	(202,133)	0	0	0	0	233,621	435,754	(202,133)
Instrumentation										
Units	476	427	49	0	0	0	0	476	427	49
Unit Cost	\$39.33	\$91.96	(\$52.62)					\$39.33	\$91.96	(\$52.62)
Dollars	18,722	39,265	(20,543)	0	0	0	0	18,722	39,265	(20,543)
Relocate Meter Fits										
Units	374	501	(127)	0	0	0	0	374	501	(127)
Unit Cost	\$68.59	\$169.84	(\$101.25)					\$68.59	\$169.84	(\$101.25)
Dollars	25,653	85,089	(59,436)	0	0	0	0	25,653	85,089	(59,436)
Residential Metscan										
Units	27	0	27	0	0	0	0	27	0	27
Unit Cost	\$285.04		#VALUE!					\$285.04		#VALUE!
Dollars	7,696	0	7,696	0	0	0	0	7,696	0	7,696
C&I Metscan										
Units	36	535	(499)	0	0	0	0	36	535	(499)
Unit Cost	\$393.42	\$152.13	\$241.29					\$393.42	\$152.13	\$241.29
Dollars	14,163	81,388	(67,225)	0	0	0	0	14,163	81,388	(67,225)
<b>Total Meter Work</b>	<b>299,855</b>	<b>641,496</b>	<b>(341,641)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>299,855</b>	<b>641,496</b>	<b>(341,641)</b>
<b>REPLACEMENTS</b>										
Replacement Mains										
Units	103,179	117,960	(14,781)	0	0	0	0	103,179	117,960	(14,781)
Unit Cost	\$39.24	\$34.32	\$4.92					\$39.24	\$34.32	\$4.92
Dollars	4,048,907	4,048,586	321	0	0	0	0	4,048,907	4,048,586	321

MASSACHUSETTS  
CALENDAR YEAR 2001 - CAPITAL SPENDING  
Month Ending December 31, 2001

	(Col 1) 12 Months Actual 12/01	(Col 2) 12 Months Budget 12/01	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2001 Plan	Variance Over(Under)
Replacement Resid Serv										
Units	1,948	2,156	(208)	0	0	0	0	1,948	2,156	(208)
Unit Cost	\$1,342.80	\$961.58	\$381.22					\$1,342.80	\$961.58	\$381.22
Dollars	2,615,776	2,073,158	542,618	0	0	0	0	2,615,776	2,073,158	542,618
Replacement C&I Serv										
Units	84	140	(56)	0	0	0	0	84	140	(56)
Unit Cost	\$2,143.92	\$1,488.43	\$655.49					\$2,143.92	\$1,488.43	\$655.49
Dollars	180,089	208,380	(28,291)	0	0	0	0	180,089	208,380	(28,291)
Uprate										
Units	7	0	7	0	0	0	0	7	0	7
Unit Cost	\$6,368.87		#VALUE!					\$6,368.87		#VALUE!
Dollars	44,582	0	44,582	0	0	0	0	44,582	0	44,582
Joint Sealing										
Units	481	741	(260)	0	0	0	0	481	741	(260)
Unit Cost	\$779.58	\$511.09	\$268.49					\$779.58	\$511.09	\$268.49
Dollars	374,976	378,716	(3,740)	0	0	0	0	374,976	378,716	(3,740)
Keyholing										
Units	706	750	(44)	0	0	0	0	706	750	(44)
Unit Cost	\$572.37	\$306.00	\$266.37					\$572.37	\$306.00	\$266.37
Dollars	404,090	229,500	174,590	0	0	0	0	404,090	229,500	174,590
Cathodic Protection										
Units	109	330	(221)	0	0	0	0	109	330	(221)
Unit Cost	\$1,278.61	\$841.88	\$436.73					\$1,278.61	\$841.88	\$436.73
Dollars	139,369	277,822	(138,453)	0	0	0	0	139,369	277,822	(138,453)
Tie-Overs										
Units	450	1,115	(665)	0	0	0	0	450	1,115	(665)
Unit Cost	\$638.17	\$471.02	\$167.15					\$638.17	\$471.02	\$167.15
Dollars	287,176	525,186	(238,010)	0	0	0	0	287,176	525,186	(238,010)
Misc- Meter Barriers										
Units	322	365	(43)	0	0	0	0	322	365	(43)
Unit Cost	\$121.64	\$141.25	(\$19.62)					\$121.64	\$141.25	(\$19.62)
Dollars	39,167	51,558	(12,391)	0	0	0	0	39,167	51,558	(12,391)
Special Projects	216,451	575,000	(358,549)	0	0	0	0	216,451	575,000	(358,549)
<b>Total Replacements</b>	<b>8,350,584</b>	<b>8,367,906</b>	<b>(17,323)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,350,584</b>	<b>8,367,906</b>	<b>(17,323)</b>
<b>TECHNICAL OPERATIONS</b>										
Regulators	1,057,762	789,000	268,762	0	0	0	0	1,057,762	789,000	268,762
Plant Work	342,119	63,000	279,119	0	0	0	0	342,119	63,000	279,119
Transportation	11,650	25,000	(13,350)	0	0	0	0	11,650	25,000	(13,350)
Meter Purchases	786,346	771,300	15,046	0	0	0	0	786,346	771,300	15,046
Small Projects	108,018	53,300	54,718	0	0	0	0	108,018	53,300	54,718
Special Projects	0	50,000	(50,000)	0	0	0	0	0	50,000	(50,000)
Meter Shop no ERT	11,227	0	11,227	0	0	0	0	11,227	0	11,227
<b>Total Technical Ops</b>	<b>2,317,122</b>	<b>1,751,600</b>	<b>565,522</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,317,122</b>	<b>1,751,600</b>	<b>565,522</b>
<b>TECHNOLOGY</b>										
	777,776	1,550,000	(772,224)	0	0	0	0	777,776	1,550,000	(772,224)
<b>OTHER GENERAL</b>										
Office Equipment	19,687	46,500	(26,813)	0	0	0	0	19,687	46,500	(26,813)
Other Equipment	228,393	460,450	(232,057)	0	0	0	0	228,393	460,450	(232,057)
Small Projects	154,654	55,000	99,654	0	0	0	0	154,654	55,000	99,654
<b>Total Other</b>	<b>402,734</b>	<b>561,950</b>	<b>(159,216)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>402,734</b>	<b>561,950</b>	<b>(159,216)</b>
Overheads	4,230,051	4,214,205	15,846	0	0	0	0	4,230,051	4,214,205	15,846
Indirect Supv & Non Prod	4,262,303	3,462,606	799,697	0	0	0	0	4,262,303	3,462,606	799,697
	0	0	0	0	0	0	0	0	0	0
<b>Total Overheads</b>	<b>8,492,354</b>	<b>7,676,811</b>	<b>815,543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,492,354</b>	<b>7,676,811</b>	<b>815,543</b>
<b>Total LDC Capital</b>	<b>30,345,827</b>	<b>30,919,100</b>	<b>(573,273)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,345,827</b>	<b>30,919,100</b>	<b>(573,273)</b>

**MASSACHUSETTS**  
**CALENDAR YEAR 2002 - CAPITAL SPENDING**  
**Month Ending December 31, 2002**

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2002 Plan	Variance Over(Under)
GROWTH										
New Mains Installed										
Units	140,347	167,963	(27,616)	0	0	0	0	140,347	167,963	(27,616)
Unit Cost	\$10.70	\$11.21	(\$0.51)					\$10.70	\$11.21	(\$0.51)
Dollars	1,502,270	1,883,209	(380,939)	0	0	0	0	1,502,270	1,883,209	(380,939)
New Residential Service										
Units	1,940	2,092	(152)	0	0	0	0	1,940	2,092	(152)
Unit Cost	\$1,634.51	\$1,358.17	\$276.34					\$1,634.51	\$1,358.17	\$276.34
Dollars	3,170,952	2,841,300	329,652	0	0	0	0	3,170,952	2,841,300	329,652
New C&I Service										
Units	475	530	(55)	0	0	0	0	475	530	(55)
Unit Cost	\$2,359.69	\$1,921.73	\$437.96					\$2,359.69	\$1,921.73	\$437.96
Dollars	1,120,854	1,018,518	102,336	0	0	0	0	1,120,854	1,018,518	102,336
New Residential Meters										
Units	3,383	3,320	63	0	0	0	0	3,383	3,320	63
Unit Cost	\$59.52	\$65.31	(\$5.79)					\$59.52	\$65.31	(\$5.79)
Dollars	201,342	216,830	(15,488)	0	0	0	0	201,342	216,830	(15,488)
New C&I Meters										
Units	291	675	(384)	0	0	0	0	291	675	(384)
Unit Cost	\$1,131.86	\$1,234.44	(\$102.59)					\$1,131.86	\$1,234.44	(\$102.59)
Dollars	329,371	833,250	(503,879)	0	0	0	0	329,371	833,250	(503,879)
BMP	29,593	14,423	15,170	0	0	0	0	29,593	14,423	15,170
BMP	231,074	535,355	(304,281)	0	0	0	0	231,074	535,355	(304,281)
Total Growth	6,585,456	7,342,885	(757,429)	0	0	0	0	6,585,456	7,342,885	(757,429)
RENTALS										
New Resid CB										
Units	49	104	(55)	0	0	0	0	49	104	(55)
Unit Cost	\$1,578.61	\$1,195.25	\$383.36					\$1,578.61	\$1,195.25	\$383.36
Dollars	77,352	124,306	(46,954)	0	0	0	0	77,352	124,306	(46,954)
New C&I CB										
Units	2	12	(10)	0	0	0	0	2	12	(10)
Unit Cost	\$28,692.00	\$6,234.83	\$22,457.17					\$28,692.00	\$6,234.83	\$22,457.17
Dollars	57,384	74,818	(17,434)	0	0	0	0	57,384	74,818	(17,434)
New Water Heaters										
Units	1,567	1,644	(77)	0	0	0	0	1,567	1,644	(77)
Unit Cost	\$2,549.60	\$2,424.84	\$124.75					\$2,549.60	\$2,424.84	\$124.75
Dollars	3,995,221	3,986,443	8,778	0	0	0	0	3,995,221	3,986,443	8,778
Replacement Water Heater										
Units	2,124	2,580	(456)	0	0	0	0	2,124	2,580	(456)
Unit Cost	\$447.42	\$412.94	\$34.48					\$447.42	\$412.94	\$34.48
Dollars	950,317	1,065,378	(115,061)	0	0	0	0	950,317	1,065,378	(115,061)
Total Rentals	5,080,274	5,250,945	(170,671)	0	0	0	0	5,080,274	5,250,945	(170,671)
METER WORK										
Upgrade Meter Fits										
Units	1,778	1,565	213	0	0	0	0	1,778	1,565	213
Unit Cost	\$206.40	\$230.33	(\$23.93)					\$206.40	\$230.33	(\$23.93)
Dollars	366,984	360,469	6,515	0	0	0	0	366,984	360,469	

MASSACHUSETTS  
CALENDAR YEAR 2002 - CAPITAL SPENDING  
Month Ending December 31, 2002

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2002 Plan	Variance Over(Under)
Units	1,740	1,954	(214)	0	0	0	0	1,740	1,954	(214)
Unit Cost	\$1,202.77	\$967.02	\$235.74					\$1,202.77	\$967.02	\$235.74
Dollars	2,092,812	1,889,658	203,154	0	0	0	0	2,092,812	1,889,658	203,154
Replacement C&I Serv										
Units	60	137	(77)	0	0	0	0	60	137	(77)
Unit Cost	\$2,028.08	\$1,511.90	\$516.19					\$2,028.08	\$1,511.90	\$516.19
Dollars	121,685	207,130	(85,445)	0	0	0	0	121,685	207,130	(85,445)
Uprate										
Units	0	0	0	0	0	0	0	0	0	0
Unit Cost			#VALUE!							#VALUE!
Dollars	(80,462)	0	(80,462)	0	0	0	0	(80,462)	0	(80,462)
Joint Sealing										
Units	938	741	197	0	0	0	0	938	741	197
Unit Cost	\$527.67	\$483.83	\$43.84					\$527.67	\$483.83	\$43.84
Dollars	494,959	358,519	136,440	0	0	0	0	494,959	358,519	136,440
Keyholing										
Units	511	850	(339)	0	0	0	0	511	850	(339)
Unit Cost	\$380.90	\$333.29	\$47.61					\$380.90	\$333.29	\$47.61
Dollars	194,639	283,295	(88,656)	0	0	0	0	194,639	283,295	(88,656)
Cathodic Protection										
Units	0	330	(330)	0	0	0	0	0	330	(330)
Unit Cost		\$960.13	#VALUE!						\$960.13	#VALUE!
Dollars	343,588	316,844	26,744	0	0	0	0	343,588	316,844	26,744
Tie-Overs										
Units	321	1,017	(696)	0	0	0	0	321	1,017	(696)
Unit Cost	\$773.50	\$517.73	\$255.76					\$773.50	\$517.73	\$255.76
Dollars	248,293	526,536	(278,243)	0	0	0	0	248,293	526,536	(278,243)
Misc- Meter Barriers										
Units	266	365	(99)	0	0	0	0	266	365	(99)
Unit Cost	\$99.27	\$141.25	(\$41.99)					\$99.27	\$141.25	(\$41.99)
Dollars	26,405	51,558	(25,153)	0	0	0	0	26,405	51,558	(25,153)
Special Projects	363,985	350,000	13,985	0	0	0	0	363,985	350,000	13,985
<b>EXPECTED SAVINGS 2002</b>	0	0	0	0	0	0	0	0	0	0
<b>Total Replacements</b>	7,041,564	6,992,899	48,665	0	0	0	0	7,041,564	6,992,899	48,665
<b>OTHER OPERATIONS</b>										
Regulators	674,521	280,000	394,521	0	0	0	0	674,521	280,000	394,521
Plant Work	167,313	158,500	8,813	0	0	0	0	167,313	158,500	8,813
Transportation	1,020	0	1,020	0	0	0	0	1,020	0	1,020
Meter Purchases	717,502	625,909	91,593	0	0	0	0	717,502	625,909	91,593
Small Projects	35,843	9,500	26,343	0	0	0	0	35,843	9,500	26,343
Special Projects	0	0	0	0	0	0	0	0	0	0
<b>Meter Shop no ERT</b>	1,797	0	1,797	0	0	0	0	1,797	0	1,797
<b>Total Other Operations</b>	1,597,996	1,073,909	524,087	0	0	0	0	1,597,996	1,073,909	524,087
<b>TECHNOLOGY</b>	956,232	1,100,000	(143,768)	0	0	0	0	956,232	1,100,000	(143,768)
<b>OTHER GENERAL</b>										
Office Equipment	17,871	0	17,871	0	0	0	0	17,871	0	17,871
Other Equipment	77,309	375,226	(297,917)	0	0	0	0	77,309	375,226	(297,917)
Small Projects	19,570	18,500	1,070	0	0	0	0	19,570	18,500	1,070
<b>Total Other</b>	114,750	393,726	(278,976)	0	0	0	0	114,750	393,726	(278,976)
Overheads	4,883,515	3,489,205	1,394,310	0	0	0	0	4,883,515	3,489,205	1,394,310
Indirect Supv & Non Prod	3,482,840	3,624,862	(142,022)	0	0	0	0	3,482,840	3,624,862	(142,022)
	0	0	0	0	0	0	0	0	0	0
<b>Total Overheads</b>	8,366,355	7,114,067	1,252,288	0	0	0	0	8,366,355	7,114,067	1,252,288
<b>Total LDC Capital</b>	30,172,843	29,834,642	338,201	0	0	0	0	30,172,843	29,834,642	338,201

**MASSACHUSETTS  
CALENDAR YEAR 2003 - CAPITAL SPENDING**  
**Month Ending December 31, 2003**

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance	(Col 4)	(Col 5)	(Col 6)	(Col 7)	(Col 1 + 6 + 7)	2003 Plan	Variance Over(Under)
GROWTH										
New Mains Installed										
Units	119,082	140,780	(21,698)	0	0	0	0	119,082	140,780	(21,698)
Unit Cost	\$12.39	\$9.27	\$3.12					\$12.39	\$9.27	\$3.12
Dollars	1,475,846	1,305,734	170,112	0	0	0	0	1,475,846	1,305,734	170,112
New Residential Service										
Units	1,867	2,092	(225)	0	0	0	0	1,867	2,092	(225)
Unit Cost	\$1,582.17	\$1,358.17	\$224.00					\$1,582.17	\$1,358.17	\$224.00
Dollars	2,953,919	2,841,300	112,619	0	0	0	0	2,953,919	2,841,300	112,619
New C&I Service										
Units	437	530	(93)	0	0	0	0	437	530	(93)
Unit Cost	\$2,036.99	\$1,921.73	\$115.26					\$2,036.99	\$1,921.73	\$115.26
Dollars	890,166	1,018,518	(128,352)	0	0	0	0	890,166	1,018,518	(128,352)
New Residential Meters										
Units	3,277	3,320	(43)	0	0	0	0	3,277	3,320	(43)
Unit Cost	\$70.42	\$65.31	\$5.11					\$70.42	\$65.31	\$5.11
Dollars	230,761	216,830	13,931	0	0	0	0	230,761	216,830	13,931
New C&I Meters										
Units	296	541	(245)	0	0	0	0	296	541	(245)
Unit Cost	\$1,367.34	\$1,227.02	\$140.32					\$1,367.34	\$1,227.02	\$140.32
Dollars	404,734	663,819	(259,085)	0	0	0	0	404,734	663,819	(259,085)
BMP	92,550	0	92,550	0	0	0	0	92,550	0	92,550
SPECIAL PROJECTS	0	0	0	0	0	0	0	0	0	0
Total Growth	6,047,976	6,046,201	1,775	0	0	0	0	6,047,976	6,046,201	1,775
RENTALS										
New Resid CB										
Units	34	83	(49)	0	0	0	0	34	83	(49)
Unit Cost	\$1,266.56	\$1,231.08	\$35.47					\$1,266.56	\$1,231.08	\$35.47
Dollars	43,063	102,180	(59,117)	0	0	0	0	43,063	102,180	(59,117)
New C&I CB										
Units	0	12	(12)	0	0	0	0	0	12	(12)
Unit Cost		\$6,234.83	#VALUE!						\$6,234.83	#VALUE!
Dollars	8,993	74,818	(65,825)	0	0	0	0	8,993	74,818	(65,825)
New Water Heaters										
Units	1,339	1,722	(383)	0	0	0	0	1,339	1,722	(383)
Unit Cost	\$600.73	\$574.43	\$26.30					\$600.73	\$574.43	\$26.30
Dollars	804,380	989,168	(184,788)	0	0	0	0	804,380	989,168	(184,788)
Replacement Water Heater										
Units	2,007	2,580	(573)	0	0	0	0	2,007	2,580	(573)
Unit Cost	\$521.26	\$509.97	\$11.29					\$521.26	\$509.97	\$11.29
Dollars	1,046,176	1,315,723	(269,547)	0	0	0	0	1,046,176	1,315,723	(269,547)
Total Rentals	1,902,612	2,481,889	(579,277)	0	0	0	0	1,902,612	2,481,889	(579,277)
METER WORK										
Upgrade Meter Fits										
Units	2,228	1,565	663	0	0	0	0	2,228	1,565	663
Unit Cost	\$135.21	\$230.33	(\$95.12)					\$135.21	\$230.33	(\$95.12)
Dollars	301,246	360,469	(59,223)	0	0	0	0	301,246	360,469	(59,223)
Instrumentation										
Units	231	427	(196)	0	0	0	0	231	427	(196)
Unit Cost	\$55.24	\$91.96	(\$36.72)					\$55.24	\$91.96	(\$36.72)
Dollars	12,760	39,265	(26,505)	0	0	0	0	12,760	39,265	(26,505)
Relocate Meter Fits										
Units	165	501	(336)	0	0	0	0	165	501	(336)
Unit Cost	\$130.87	\$169.84	(\$38.97)					\$130.87	\$169.84	(\$38.97)
Dollars	21,594	85,089	(63,495)	0	0	0	0	21,594	85,089	(63,495)
Residential Metscan										
Units	6	0	6	0	0	0	0	6	0	6
Unit Cost	\$459.83		#VALUE!					\$459.83		#VALUE!
Dollars	2,759	0	2,759	0	0	0	0	2,759	0	2,759
C&I Metscan										
Units	13	535	(522)	0	0	0	0	13	535	(522)
Unit Cost	\$643.85	\$152.13	\$491.72					\$643.85	\$152.13	\$491.72
Dollars	8,370	81,388	(73,018)	0	0	0	0	8,370	81,388	(73,018)
Total Meter Work	346,729	566,211	(219,482)	0	0	0	0	346,729	566,211	(219,482)
REPLACEMENTS										
Replacement Mains										
Units	79,966	81,266	(1,300)	0	0	0	0	79,966	81,266	(1,300)
Unit Cost	\$50.95	\$37.03	\$13.91					\$50.95	\$37.03	\$13.91
Dollars	4,073,916	3,009,359	1,064,557	0		0	0	4,073,916	3,009,359	1,064,557
Replacement Resid Serv										



MASSACHUSETTS  
CALENDAR YEAR 2003 - CAPITAL SPENDING  
Month Ending December 31, 2003

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2003 Plan	Variance Over(Under)
Units	1,678	1,954	(276)	0	0	0	0	1,678	1,954	(276)
Unit Cost	\$1,278.03	\$967.02	\$311.00					\$1,278.03	\$967.02	\$311.00
Dollars	2,144,528	1,889,658	254,870	0	0	0	0	2,144,528	1,889,658	254,870
Replacement C&I Serv										
Units	54	137	(83)	0	0	0	0	54	137	(83)
Unit Cost	\$2,161.37	\$1,511.90	\$649.47					\$2,161.37	\$1,511.90	\$649.47
Dollars	116,714	207,130	(90,416)	0	0	0	0	116,714	207,130	(90,416)
Uprate										
Units	0	0	0	0	0	0	0	0	0	0
Unit Cost			#VALUE!							#VALUE!
Dollars	(654)	0	(654)	0	0	0	0	(654)	0	(654)
Joint Sealing										
Units	696	741	(45)	0	0	0	0	696	741	(45)
Unit Cost	\$868.57	\$483.83	\$384.73					\$868.57	\$483.83	\$384.73
Dollars	604,522	358,519	246,003	0	0	0	0	604,522	358,519	246,003
Keyholing										
Units	702	850	(148)	0	0	0	0	702	850	(148)
Unit Cost	\$323.33	\$333.29	(\$9.96)					\$323.33	\$333.29	(\$9.96)
Dollars	226,978	283,295	(56,317)	0	0	0	0	226,978	283,295	(56,317)
Cathodic Protection										
Units	171	330	(159)	0	0	0	0	171	330	(159)
Unit Cost	\$1,198.82	\$960.13	\$238.69					\$1,198.82	\$960.13	\$238.69
Dollars	204,999	316,844	(111,845)	0	0	0	0	204,999	316,844	(111,845)
Tie-Overs										
Units	551	1,017	(466)	0	0	0	0	551	1,017	(466)
Unit Cost	\$684.93	\$517.73	\$167.20					\$684.93	\$517.73	\$167.20
Dollars	377,399	526,536	(149,137)	0	0	0	0	377,399	526,536	(149,137)
Misc- Meter Barriers										
Units	225	365	(140)	0	0	0	0	225	365	(140)
Unit Cost	\$120.04	\$141.25	(\$21.21)					\$120.04	\$141.25	(\$21.21)
Dollars	27,009	51,558	(24,549)	0	0	0	0	27,009	51,558	(24,549)
Special Projects	16,945	624,234	(607,289)	0	0	0	0	16,945	624,234	(607,289)
<b>EXPECTED SAVINGS 2002</b>	0	0	0	0	0	0	0	0	0	0
<b>Total Replacements</b>	7,792,356	7,267,133	525,223	0	0	0	0	7,792,356	7,267,133	525,223
<b>OTHER OPERATIONS</b>										
Regulators	1,192,612	280,000	912,612	0	0	0	0	1,192,612	280,000	912,612
Plant Work	354,764	158,500	196,264	0	0	0	0	354,764	158,500	196,264
Transportation	0	0	0	0	0	0	0	0	0	0
Meter Purchases	354,421	625,909	(271,488)	0	0	0	0	354,421	625,909	(271,488)
Small Projects	1,620	0	1,620	0	0	0	0	1,620	0	1,620
Special Projects	(680,000)	0	(680,000)	0	0	0	0	(680,000)	0	(680,000)
<b>ERT MASS &amp; NH</b>	0	0	0	0	0	0	0	0	0	0
<b>Total Other Operations</b>	1,223,417	1,064,409	159,008	0	0	0	0	1,223,417	1,064,409	159,008
<b>TECHNOLOGY</b>	461,895	1,405,620	(943,725)	0	0	0	(4,327)	457,568	1,405,620	(948,052)
<b>OTHER GENERAL</b>										
Office Equipment	12,085	0	12,085	0	0	0	0	12,085	0	12,085
Other Equipment	230,160	240,926	(10,766)	0	0	0	0	230,160	240,926	(10,766)
Small Projects	147,890	0	147,890	0	0	0	0	147,890	0	147,890
<b>Total Other</b>	390,135	240,926	149,209	0	0	0	0	390,135	240,926	149,209
Overheads	5,700,349	3,489,205	2,211,144	0	0	0	0	5,700,349	3,489,205	2,211,144
Indirect Supv & Non Prod	3,759,829	3,624,862	134,967	0	0	0	0	3,759,829	3,624,862	134,967
	0	0	0	0	0	0	0	0	0	0
<b>Total Overheads</b>	9,460,178	7,114,067	2,346,111	0	0	0	0	9,460,178	7,114,067	2,346,111
<b>Total LDC Capital</b>	27,625,298	26,186,456	1,438,842	0	0	0	(4,327)	27,620,971	26,186,456	1,434,515

## Month Ending December 31, 2004

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH TARGET	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2004 TARGET	Variance Over(Under)
GROWTH										
New Mains Installed										
Units	134,812	140,347	(5,535)	0	0	0	0	134,812	140,347	(5,535)
Unit Cost	\$8.82	\$10.55	(\$1.73)					\$8.82	\$10.55	(\$1.73)
Dollars	1,188,853	1,480,253	(291,400)	0	0	0	0	1,188,853	1,480,253	(291,400)
New Residential Service										
Units	2,108	1,986	122	0	0	0	0	2,108	1,986	122
Unit Cost	\$1,464.21	\$1,256.67	\$207.54					\$1,464.21	\$1,256.67	\$207.54
Dollars	3,086,552	2,495,751	590,801	0	0	0	0	3,086,552	2,495,751	590,801
New C&I Service										
Units	357	562	(205)	0	0	0	0	357	562	(205)
Unit Cost	\$2,377.68	\$1,227.98	\$1,149.70					\$2,377.68	\$1,227.98	\$1,149.70
Dollars	848,831	690,123	158,708	0	0	0	0	848,831	690,123	158,708
New Residential Meters										
Units	3,894	2,952	942	0	0	0	0	3,894	2,952	942
Unit Cost	\$84.85	\$80.32	\$4.53					\$84.85	\$80.32	\$4.53
Dollars	330,417	237,116	93,301	0	0	0	0	330,417	237,116	93,301
New C&I Meters										
Units	233	264	(31)	0	0	0	0	233	264	(31)
Unit Cost	\$1,756.80	\$1,451.37	\$305.43					\$1,756.80	\$1,451.37	\$305.43
Dollars	409,335	383,162	26,173	0	0	0	0	409,335	383,162	26,173
BMIP	0	0	0	0	0	0	0	0	0	0
SPECIAL PROJECTS	89,833	668,191	(578,358)	0	0	0	0	89,833	668,191	(578,358)
Total Growth	5,953,821	5,954,596	(775)	0	0	0	0	5,953,821	5,954,596	(775)
RENTALS										
New Resid CB										
Units	42	83	(41)	0	0	0	0	42	83	(41)
Unit Cost	\$777.48	\$434.71	\$342.77					\$777.48	\$434.71	\$342.77
Dollars	32,654	36,081	(3,427)	0	0	0	0	32,654	36,081	(3,427)
New C&I CB										
Units	0	12	(12)	0	0	0	0	0	12	(12)
Unit Cost		\$1,406.00	#VALUE!						\$1,406.00	#VALUE!
Dollars	8,328	16,872	(8,544)	0	0	0	0	8,328	16,872	(8,544)
New Water Heaters										
Units	1,318	1,722	(404)	0	0	0	0	1,318	1,722	(404)
Unit Cost	\$719.30	\$473.23	\$246.07					\$719.30	\$473.23	\$246.07
Dollars	948,033	814,898	133,135	0	0	0	0	948,033	814,898	133,135
Replacement Water Heater										
Units	2,072	2,580	(508)	0	0	0	0	2,072	2,580	(508)
Unit Cost	\$489.76	\$416.46	\$73.31					\$489.76	\$416.46	\$73.31
Dollars	1,014,787	1,074,456	(59,669)	0	0	0	0	1,014,787	1,074,456	(59,669)
Total Rentals	2,003,802	1,942,307	61,495	0	0	0	0	2,003,802	1,942,307	61,495
METER WORK										
Upgrade Meter Fits										
Units	2,105	1,684	421	0	0	0	0	2,105	1,684	421
Unit Cost	\$172.62	\$230.32	(\$57.70)					\$172.62	\$230.32	(\$57.70)
Dollars	363,362	387,864	(24,502)	0	0	0	0	363,362	387,864	(24,502)
Instrumentation										
Units	314	459	(145)	0	0	0	0	314	459	(145)
Unit Cost	\$166.70	\$92.05	\$74.66					\$166.70	\$92.05	\$74.66
Dollars	52,345	42,249	10,096	0	0	0	0	52,345	42,249	10,096
Relocate Meter Fits										
Units	664	604	60	0	0	0	0	664	604	60
Unit Cost	\$130.70	\$175.09	(\$44.39)					\$130.70	\$175.09	(\$44.39)
Dollars	86,784	105,756	(18,972)	0	0	0	0	86,784	105,756	(18,972)
Residential Metscan										
Units	0	0	0	0	0	0	0	0	0	0
Unit Cost			#VALUE!							#VALUE!
Dollars	96	0	96	0	0	0	0	96	0	96
C&I Metscan										
Units	21	57	(36)	0	0	0	0	21	57	(36)
Unit Cost	\$659.00	\$167.96	\$491.04					\$659.00	\$167.96	\$491.04
Dollars	13,839	9,574	4,265	0	0	0	0	13,839	9,574	4,265
Total Meter Work	516,426	545,443	(29,017)	0	0	0	0	516,426	545,443	(29,017)
REPLACEMENTS										
Replacement Mains										
Units	124,372	194,746	(70,374)	0	0	0	0	124,372	194,746	(70,374)
Unit Cost	\$72.26	\$48.92	\$23.34					\$72.26	\$48.92	\$23.34
Dollars	8,986,940	9,526,565	(539,625)	0	0	0	0	8,986,940	9,526,565	(539,625)
Replacement Resid Serv										

MASSACHUSETTS  
CALENDAR YEAR 2004 - CAPITAL SPENDING  
Month Ending December 31, 2004

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH TARGET	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End Forecast	2004 TARGET	Variance Over(Under)
Units	2,169	2,789	(620)	0	0	0	0	2,169	2,789	(620)
Unit Cost	\$1,542.24	\$1,202.26	\$339.99					\$1,542.24	\$1,202.26	\$339.99
Dollars	3,345,128	3,353,090	(7,962)	0	0	0	0	3,345,128	3,353,090	(7,962)
Replacement C&I Serv										
Units	95	148	(53)	0	0	0	0	95	148	(53)
Unit Cost	\$2,518.27	\$960.20	\$1,558.08					\$2,518.27	\$960.20	\$1,558.08
Dollars	239,236	142,109	97,127	0	0	0	0	239,236	142,109	97,127
Uprate										
Units	0	0	0	0	0	0	0	0	0	0
Unit Cost			#VALUE!							#VALUE!
Dollars	95,904	0	95,904	0	0	0	0	95,904	0	95,904
Joint Sealing										
Units	847	794	53	0	0	0	0	847	794	53
Unit Cost	\$1,003.47	\$969.08	\$34.39					\$1,003.47	\$969.08	\$34.39
Dollars	849,936	769,447	80,489	0	0	0	0	849,936	769,447	80,489
Keyholing										
Units	939	912	27	0	0	0	0	939	912	27
Unit Cost	\$461.54	\$481.12	(\$19.58)					\$461.54	\$481.12	(\$19.58)
Dollars	433,390	438,784	(5,394)	0	0	0	0	433,390	438,784	(5,394)
Cathodic Protection										
Units	825	354	471	0	0	0	0	825	354	471
Unit Cost	\$792.12	\$1,327.00	(\$534.88)					\$792.12	\$1,327.00	(\$534.88)
Dollars	653,499	469,758	183,741	0	0	0	0	653,499	469,758	183,741
Tie-Overs										
Units	616	1,311	(695)	0	0	0	0	616	1,311	(695)
Unit Cost	\$1,113.98	\$365.01	\$748.97					\$1,113.98	\$365.01	\$748.97
Dollars	686,210	478,525	207,685	0	0	0	0	686,210	478,525	207,685
Misc- Meter Barriers										
Units	232	391	(159)	0	0	0	0	232	391	(159)
Unit Cost	\$167.59	\$141.40	\$26.19					\$167.59	\$141.40	\$26.19
Dollars	38,880	55,286	(16,406)	0	0	0	0	38,880	55,286	(16,406)
Special Projects	92,772	123,150	(30,378)	0	0	0	0	92,772	123,150	(30,378)
<b>EXPECTED SAVINGS 2002</b>	0	0	0	0	0	0	0	0	0	0
<b>Total Replacements</b>	15,421,895	15,356,714	65,181	0	0	0	0	15,421,895	15,356,714	65,181
<b>OTHER OPERATIONS</b>										
Regulators	808,676	994,375	(185,699)	0	0	0	0	808,676	994,375	(185,699)
Plant Work	452,377	0	452,377	0	0	0	0	452,377	0	452,377
Transportation	0	0	0	0	0	0	0	0	0	0
Meter Purchases	926,070	573,478	352,592	0	0	0	0	926,070	573,478	352,592
Small Projects	0	0	0	0	0	0	0	0	0	0
Special Projects	0	0	0	0	0	0	0	0	0	0
<b>Meter Shop no ERT</b>	3,029	0	3,029	0	0	0	0	3,029	0	3,029
<b>Total Other Operations</b>	2,190,152	1,567,853	622,299	0	0	0	0	2,190,152	1,567,853	622,299
<b>TECHNOLOGY</b>	281,238	2,840,100	(2,558,862)	0	0	0	0	281,238	2,840,100	(2,558,862)
<b>OTHER GENERAL</b>										
Office Equipment	41,970	0	41,970	0	0	0	0	41,970	0	41,970
Tools & Equipment	188,182	109,236	78,946	0	0	0	0	188,182	109,236	78,946
Small Projects	215,695	150,000	65,695	0	0	0	0	215,695	150,000	65,695
<b>Total Other</b>	445,847	259,236	186,611	0	0	0	0	445,847	259,236	186,611
Overheads	5,962,830	5,325,000	637,830	0	0	0	0	5,962,830	5,325,000	637,830
Indirect Supv & Non Prod	4,169,069	3,891,000	278,069	0	0	0	0	4,169,069	3,891,000	278,069
	0	0	0	0	0	0	0	0	0	0
<b>Total Overheads</b>	10,131,899	9,216,000	915,899	0	0	0	0	10,131,899	9,216,000	915,899
<b>Total LDC Capital</b>	36,945,080	37,682,249	(737,169)	0	0	0	0	36,945,080	37,682,249	(737,169)

**MASSACHUSETTS**  
**CALENDAR YEAR 2005 - CAPITAL SPENDING**  
**Month Ending December 31, 2005**

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH Budget	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End FORECAST	2005 Plan	Variance Over(Under)
<b>GROWTH</b>										
								<b>MAY REVISION</b>		
New Mains Installed										
Units	163,207	182,891	(19,684)					163,207	182,891	(19,684)
Unit Cost	\$9.72	\$9.02	\$0.70					\$9.72	\$9.02	\$0.70
Dollars	1,586,150	1,650,000	(63,850)					1,586,150	1,650,000	(63,850)
New Residential Service										
Units	2,004	2,278	(274)					2,004	2,278	(274)
Unit Cost	\$1,401.69	\$1,355.17	\$46.52					\$1,401.69	\$1,355.17	\$46.52
Dollars	2,808,989	3,086,829	(277,840)					2,808,989	3,086,829	(277,840)
New C&I Service										
Units	550	429	121					550	429	121
Unit Cost	\$1,895.29	\$1,916.90	(\$21.60)					\$1,895.29	\$1,916.90	(\$21.60)
Dollars	1,042,412	823,171	219,241					1,042,412	823,171	219,241
New Residential Meters										
Units	4,143	4,975	(832)					4,143	4,975	(832)
Unit Cost	\$103.47	\$65.58	\$37.89					\$103.47	\$65.58	\$37.89
Dollars	428,675	326,269	102,406					428,675	326,269	102,406
New C&I Meters										
Units	264	319	(55)					264	319	(55)
Unit Cost	\$2,253.93	\$1,297.26	\$956.67					\$2,253.93	\$1,297.26	\$956.67
Dollars	595,037	413,731	181,306					595,037	413,731	181,306
<b>BETTERMENT - GROWTH</b>	779,899	1,700,000	(920,101)					779,899	1,700,000	(920,101)
<b>SPECIAL PROJECTS</b>	0	0	0					0	0	0
<b>Total Growth</b>	7,241,162	8,000,000	(758,838)					7,241,162	8,000,000	(758,838)
<b>RENTALS</b>										
New Resid CB										
Units	41	37	4					41	37	4
Unit Cost	\$538.98	\$1,231.09	(\$692.11)					\$538.98	\$1,231.09	(\$692.11)
Dollars	22,098	45,000	(22,902)					22,098	45,000	(22,902)
New C&I CB										
Units	0	0	0					0	0	0
Unit Cost			#VALUE!							#VALUE!
Dollars	14,596	0	14,596					14,596	0	14,596
New Water Heaters										
Units	1,263	1,135	128					1,263	1,135	128
Unit Cost	\$531.44	\$753.51	(\$222.07)					\$531.44	\$753.51	(\$222.07)
Dollars	671,213	855,000	(183,787)					671,213	855,000	(183,787)
Replacement Water Heater										
Units	2,043	1,889	154					2,043	1,889	154
Unit Cost	\$538.16	\$741.18	(\$203.03)					\$538.16	\$741.18	(\$203.03)
Dollars	1,099,452	1,400,000	(300,548)					1,099,452	1,400,000	(300,548)
<b>Total Rentals</b>	1,807,359	2,300,000	(492,641)					1,807,359	2,300,000	(492,641)
<b>METER WORK</b>										
Upgrade Meter Fits										
Units	1,370	1,711	(341)					1,370	1,711	(341)
Unit Cost	\$248.77	\$213.31	\$35.45					\$248.77	\$213.31	\$35.45
Dollars	340,812	365,000	(24,188)					340,812	365,000	(24,188)
Instrumentation										
Units	372	894	(522)					372	894	(522)
Unit Cost	\$38.60	\$61.55	(\$22.95)					\$38.60	\$61.55	(\$22.95)
Dollars	14,358	55,000	(40,642)					14,358	55,000	(40,642)
Relocate Meter Fits										
Units	435	555	(120)					435	555	(120)
Unit Cost	(\$14.18)	\$162.25	(\$176.43)					(\$14.18)	\$162.25	(\$176.43)
Dollars	(6,169)	90,000	(96,169)					(6,169)	90,000	(96,169)
Residential Metscan										
Units	4	0	4					4	0	4
Unit Cost	\$146.00		#VALUE!					\$146.00		#VALUE!
Dollars	584	0	584					584	0	584
C&I Metscan										
Units	14	80	(66)					14	80	(66)
Unit Cost	\$1,022.43	\$188.60	\$833.83					\$1,022.43	\$188.60	\$833.83
Dollars	14,314	15,000	(686)					14,314	15,000	(686)
<b>Total Meter Work</b>	363,899	525,000	(161,101)					363,899	525,000	(161,101)
<b>REPLACEMENTS</b>										
Replacement Mains										
Units	137,995	155,527	(17,532)					137,995	155,527	(17,532)
Unit Cost	\$33.37	\$33.63	(\$0.26)					\$33.37	\$33.63	(\$0.26)
Dollars	4,604,550	5,230,000	(625,450)					4,604,550	5,230,000	(625,450)
Replacement Resid Serv										
Units	1,654	2,204	(550)					1,654	2,204	(550)
Unit Cost	\$1,644.41	\$970.38	\$674.03					\$1,644.41	\$970.38	\$674.03

**MASSACHUSETTS**  
**CALENDAR YEAR 2005 - CAPITAL SPENDING**  
**Month Ending December 31, 2005**

	(Col 1) 12 MONTH Actual	(Col 2) 12 MONTH Budget	(Col 3) Year To Date Variance	(Col 4) Remain Plan	(Col 5) Adjustments to Remain Plan	(Col 6) Revised Remain Plan	(Col 7) Transfers	(Col 1 + 6 + 7) Year-End FORECAST	2005 Plan	Variance Over(Under)
Dollars	2,719,847	2,138,454	581,393					2,719,847	2,138,454	581,393
Replacement C&I Serv										
Units	44	140	(96)					44	140	(96)
Unit Cost	\$2,799.39	\$1,685.29	\$1,114.10					\$2,799.39	\$1,685.29	\$1,114.10
Dollars	123,173	236,546	(113,373)					123,173	236,546	(113,373)
Uprate										
Units	14	0	14					14	0	14
Unit Cost	\$2,448.29		#VALUE!					\$2,448.29		#VALUE!
Dollars	34,276	0	34,276					34,276	0	34,276
Joint Sealing										
Units	900	866	34					900	866	34
Unit Cost	\$869.67	\$467.60	\$402.07					\$869.67	\$467.60	\$402.07
Dollars	782,704	405,000	377,704					782,704	405,000	377,704
Keyholing										
Units	557	1,058	(501)					557	1,058	(501)
Unit Cost	\$570.04	\$411.19	\$158.86					\$570.04	\$411.19	\$158.86
Dollars	317,513	435,000	(117,487)					317,513	435,000	(117,487)
Cathodic Protection										
Units	544	561	(17)					544	561	(17)
Unit Cost	\$998.44	\$704.55	\$293.89					\$998.44	\$704.55	\$293.89
Dollars	543,149	395,000	148,149					543,149	395,000	148,149
Tie-Overs										
Units	97	775	(678)					97	775	(678)
Unit Cost	\$685.67	\$528.80	\$156.87					\$685.67	\$528.80	\$156.87
Dollars	66,510	410,000	(343,490)					66,510	410,000	(343,490)
Misc- Meter Barriers										
Units	207	350	(143)					207	350	(143)
Unit Cost	\$139.49	\$114.38	\$25.11					\$139.49	\$114.38	\$25.11
Dollars	28,874	40,000	(11,126)					28,874	40,000	(11,126)
Special Projects	(61,255)	0	(61,255)					(61,255)	0	(61,255)
<b>MASS BS &amp; MAINE CI</b>	16,370,564	16,956,000	(585,436)					16,370,564	16,956,000	(585,436)
<b>BETTERMENT - REPLACE</b>	0	0	0					0	0	0
<b>Total Replacements</b>	25,529,905	26,246,000	(716,095)					25,529,905	26,246,000	(716,095)
<b>OTHER OPERATIONS</b>										
Regulators	556,707	450,000	106,707					556,707	450,000	106,707
Plant Work	150,117	0	150,117					150,117	0	150,117
<b>BETTERMENT REGULATORS</b>	966,049	725,000	241,049					966,049	725,000	241,049
Meter Purchases	937,324	950,000	(12,676)					937,324	950,000	(12,676)
Small Projects	0	0	0					0	0	0
Special Projects	29,432	0	29,432					29,432	0	29,432
<b>Meter Shop &amp; ERT</b>	673,725	490,000	183,725					673,725	490,000	183,725
<b>Total Other Operations</b>	3,313,354	2,615,000	698,354					3,313,354	2,615,000	698,354
<b>TECHNOLOGY</b>	17,151	2,124,000	(2,106,849)					17,151	2,124,000	(2,106,849)
<b>OTHER GENERAL</b>										
Office Equipment	7,561	0	7,561					7,561	0	7,561
Tools & Equipment	144,943	110,000	34,943					144,943	110,000	34,943
Facilities Projects	231,040	250,000	(18,960)					231,040	250,000	(18,960)
<b>Total Other</b>	383,544	360,000	23,544					383,544	360,000	23,544
Overheads	6,615,803	6,785,581	(169,778)					6,615,803	6,785,581	(169,778)
Indirect Supv & Non Prod	4,582,089	3,914,419	667,670					4,582,089	3,914,419	667,670
	0	0	0					0	0	0
<b>Total Overheads</b>	11,197,892	10,700,000	497,892					11,197,892	10,700,000	497,892
<b>Total LDC Capital</b>	49,854,266	52,870,000	(3,015,734)					49,854,266	52,870,000	(3,015,734)

MASSACHUSETTS  
2006 PLAN

2006 plan based on 2005 CPU

	(Col 1) Dec 2005 Actual	(Col 2) May 2005 Revision	(Col 3) Year End Variance		2006 Plan	Variance Over(Under)
<b>GROWTH</b>						
New Mains Installed						
Units	163,207	182,891	(19,684)		182,891	19,684
Unit Cost	\$9.72	\$9.02	\$0.70		\$9.02	(\$0.70)
Dollars	1,586,150	1,650,000	(63,850)		1,650,000	63,850
New Residential Service						
Units	2,004	2,278	(274)		2,278	274
Unit Cost	\$1,401.69	\$1,355.17	\$46.52		\$1,355.17	(\$46.52)
Dollars	2,808,989	3,086,829	(277,840)		3,086,829	277,840
New C&I Service						
Units	550	429	121		429	(121)
Unit Cost	\$1,895.29	\$1,916.90	(\$21.60)		\$1,916.90	\$21.60
Dollars	1,042,412	823,171	219,241		823,171	(219,241)
New Residential Meters						
Units	4,143	4,975	(832)		4,975	832
Unit Cost	\$103.47	\$65.58	\$37.89		\$65.58	(\$37.89)
Dollars	428,675	326,269	102,406		326,269	(102,406)
New C&I Meters						
Units	264	319	(55)		319	55
Unit Cost	\$2,253.93	\$1,297.26	\$956.67		\$1,297.26	(\$956.67)
Dollars	595,037	413,731	181,306		413,731	(181,306)
<b>BETTERMENT - GROWTH</b>	779,899	1,700,000	(920,101)		900,000	120,101
<b>SPECIAL PROJECTS</b>	0	0	0		0	0
<b>Total Growth</b>	7,241,162	8,000,000	(758,838)		7,200,000	(41,162)
<b>RENTALS</b>						
New Resid CB						
Units	41	37	4		37	(4)
Unit Cost	\$538.98	\$1,231.09	(\$692.11)		\$1,231.09	\$692.11
Dollars	22,098	45,000	(22,902)		45,000	22,902
New C&I CB						
Units	0	0	0		0	0
Unit Cost			#VALUE!			#VALUE!
Dollars	14,596	0	14,596		0	(14,596)
New Water Heaters						
Units	1,263	1,135	128		1,135	(128)
Unit Cost	\$531.44	\$753.51	(\$222.07)		\$973.84	\$442.40
Dollars	671,213	855,000	(183,787)		1,105,000	433,787
Replacement Water Heater						
Units	2,043	1,889	154		1,889	(154)
Unit Cost	\$538.16	\$741.18	(\$203.03)		\$741.18	\$203.03
Dollars	1,099,452	1,400,000	(300,548)		1,400,000	300,548
<b>Total Rentals</b>	1,807,359	2,300,000	(492,641)		2,550,000	742,641
<b>METER WORK</b>						
Upgrade Meter Fits						
Units	1,370	1,711	(341)		1,362	(8)
Unit Cost	\$248.77	\$213.31	\$35.45		\$267.97	\$19.21
Dollars	340,812	365,000	(24,188)		365,000	24,188
Instrumentation						
Units	372	894	(522)		2,187	1,815
Unit Cost	\$38.60	\$61.55	(\$22.95)		\$25.14	(\$13.45)
Dollars	14,358	55,000	(40,642)		55,000	40,642
Relocate Meter Fits						
Units	435	555	(120)		1,100	665
Unit Cost	(\$14.18)	\$162.25	(\$176.43)		\$81.84	\$96.02
Dollars	(6,169)	90,000	(96,169)		90,000	96,169
Residential Metscan						
Units	4	0	4		0	(4)
Unit Cost	\$146.00		#VALUE!			#VALUE!
Dollars	584	0	584		0	(584)
C&I Metscan						
Units	14	80	(66)		78	64
Unit Cost	\$1,022.43	\$188.60	\$833.83		\$192.11	(\$830.31)
Dollars	14,314	15,000	(686)		15,000	686
<b>Total Meter Work</b>	363,899	525,000	(161,101)		525,000	161,101
<b>REPLACEMENTS</b>						
Replacement Mains						
Units	137,995	155,527	(17,532)		92,331	(45,664)
Unit Cost	\$33.37	\$33.63	(\$0.26)		\$53.32	\$19.95
Dollars	4,604,550	5,230,000	(625,450)		4,922,766	318,216
Replacement Resid Serv						
Units	1,654	2,204	(550)		1,316	(338)

MASSACHUSETTS  
2006 PLAN

2006 plan based on 2005 CPU

	(Col 1) Dec 2005 Actual	(Col 2) May 2005 Revision	(Col 3) Year End Variance		2006 Plan	Variance Over(Under)
Unit Cost	\$1,644.41	\$970.38	\$674.03		\$1,625.09	(\$19.31)
Dollars	2,719,847	2,138,454	581,393		2,138,454	(581,393)
Replacement C&I Serv						
Units	44	140	(96)		80	36
Unit Cost	\$2,799.39	\$1,685.29	\$1,114.10		\$2,973.98	\$174.60
Dollars	123,173	236,546	(113,373)		236,546	113,373
Uprate						
Units	14	0	14		#DIV/0!	#DIV/0!
Unit Cost	\$2,448.29		#VALUE!		#DIV/0!	#DIV/0!
Dollars	34,276	0	34,276		0	(34,276)
Joint Sealing						
Units	900	866	34		499	(401)
Unit Cost	\$869.67	\$467.60	\$402.07		\$812.11	(\$57.56)
Dollars	782,704	405,000	377,704		405,000	(377,704)
Keyholing						
Units	557	1,058	(501)		638	81
Unit Cost	\$570.04	\$411.19	\$158.86		\$681.50	\$111.46
Dollars	317,513	435,000	(117,487)		435,000	117,487
Cathodic Protection						
Units	544	561	(17)		431	(113)
Unit Cost	\$998.44	\$704.55	\$293.89		\$916.31	(\$82.12)
Dollars	543,149	395,000	148,149		395,000	(148,149)
Tie-Over						
Units	97	775	(678)		503	406
Unit Cost	\$685.67	\$528.80	\$156.87		\$814.72	\$129.05
Dollars	66,510	410,000	(343,490)		410,000	343,490
Misc- Meter Barriers						
Units	207	350	(143)		316	109
Unit Cost	\$139.49	\$114.38	\$25.11		\$126.49	(\$13.00)
Dollars	28,874	40,000	(11,126)		40,000	11,126
Special Projects	(61,255)	0	(61,255)		0	61,255
<b>MASS BARE STEEL</b>	16,370,564	16,956,000	(585,436)		16,482,234	111,670
<b>MAINE CAST IRON</b>	0	0	0		0	0
Footage Mass BS & Maine CI	224,805	288,466	(63,661)		271,038	46,233
<b>BETTERMENT - REPLACE</b>	0	0	0		0	0
<b>Total Replacements</b>	25,529,905	26,246,000	(716,095)		25,465,000	(64,905)
<b>OTHER OPERATIONS</b>						
Regulators	556,707	450,000	106,707		450,000	(106,707)
Plant Work	150,117	0	150,117		0	(150,117)
<b>BETTERMENT REGULATORS</b>	966,049	725,000	241,049		1,800,000	833,951
Meter Purchases	937,324	950,000	(12,676)		950,000	12,676
Small Projects	0	0	0		0	0
Special Projects	29,432	0	29,432		250,000	220,568
<b>Meter Shop &amp; ERT</b>	673,725	490,000	183,725		890,000	216,275
<b>Total Other Operations</b>	3,313,354	2,615,000	698,354		4,340,000	1,026,646
<b>TECHNOLOGY</b>	17,151	0	17,151		0	(17,151)
<b>OTHER GENERAL</b>						
Office Equipment	7,561	0	7,561		0	(7,561)
Tools & Equipment	144,943	110,000	34,943		110,000	(34,943)
Facilities Projects	231,040	250,000	(18,960)		100,000	(131,040)
<b>Total Other</b>	383,544	360,000	23,544		210,000	(173,544)
Overheads	6,615,803	6,785,581	(169,778)		6,785,581	169,778
Indirect Supv & Non Prod	4,582,089	3,914,419	667,670		3,914,419	(667,670)
	0	0	0		0	0
<b>Total Overheads</b>	11,197,892	10,700,000	497,892		10,700,000	(497,892)
<b>Total LDC Capital</b>	49,854,266	50,746,000	(891,734)		50,990,000	1,135,734

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-4: In which department(s) and cost categories included in the response to AG-2-3 was the Company successful in reaching its budget targets?

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2005, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. Moreover, merely setting up a query to produce monthly and quarterly "budgets" by department and "cost category" for the period 1999-2006 (or as close as Bay State can get to that request, since it doesn't recognize this method) is estimated to take over a hundred hours of man-time and in total to research and produce the response, over a month of full-time work for one full time financial professional. Accordingly, the request is unduly burdensome. Finally, Bay State has not conducted any analysis, nor has any "off the shelf" analysis as to which "departments and cost categories" were "successful in reaching its budget targets."

Notwithstanding the objection, but rather specifically maintaining it, please see Attachments AG-2-3 (A) and (B), which include variance columns illustrating the differences between baseline budgets and year-end actuals for O&M and capital expenses, respectively, by account categories for the years 1999 through 2005.



COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
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D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-5: Did any Company employee receive any bonus or incentive compensation for meeting the budget targets described in the response to AG-2-4? If yes, please identify the employee, the amounts of the bonus or incentive compensation, and the cost category associated with the award.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2006, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. The phrase "budget targets" is not used by Bay State in its budget process. Moreover, as set forth in Bay State's response to AG-2-3 and AG-2-4, the underlying request is unduly burdensome.

Notwithstanding this objection but rather specifically maintaining it, Company employees do not receive incentive payments for meeting their respective budgets under the current NiSource incentive plan structure. Under the current plan, NiSource must meet a pre-established financial trigger tied to basic earnings per share from continuing operations ("EPS"). If the financial trigger is met or exceeded for the applicable calendar year, then an incentive pool is created, and each eligible employee may receive an incentive payment based on their respective status. It is conceivable that an employee could be denied their respective payment, either in part or in whole, for failure to meet a given budget target they were responsible for, if that failure was deemed to be due to their mismanagement of that budget. However, Mr. Bryant is not aware of this situation occurring.

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RESPONSE OF BAY STATE GAS COMPANY TO THE  
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D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-6: Provide the name, title and employer of management and executive level employees responsible for recommending and approving budget targets for the Company in 1999-2006. Include in this response Company employees, as well as affiliate and parent company employees.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2006, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. Bay State does not recognize the term "budget targets" in its budgeting process. Moreover, because of the time period involved, the request is unduly burdensome.

Notwithstanding this objection, but rather specifically maintaining it, no management or executive level employees are "responsible" for "recommending and approving" "budget targets." The budget process is explained in detail in Bay State's response to AG-2-3. The budget is established as a result of an interactive process that relies heavily on prior year experience and known changes for the budget year. The budget is a living document that becomes a forecast and is updated to reflect changes. The process begins with a budget formulation by a non-management financial accountant, with input by non-financial department managers, who provide a back-and-forth on expenses and costs on the O&M side and projects and activities on the capital side. For capital, the management review team collaborating on the budget needs for Bay State consists of Keith Dalton and Danny Cote for Bay State, Shawn Patterson for Distribution Operations, Harris Marple for NiSource Operations, and Mike O'Donnell, NiSource CFO. For O&M, the iterative process includes the management team of each individual department head at Bay State or within NiSource, as the case may be, to their team leaders who report to one of Bob Skaggs' (CEO of NiSource) direct reports: Harris Marple for Operations, Kathleen O'Leary for Regulated Distribution Revenue, Glenn Kettering for Investor Relations and Communications; Violet Sistovaris for Transformation; and Chris Helms

for Pipeline and Storage. The team also includes Mike O'Donnell, NiSource CFO.

The NiSource Board of Directors approves each budget annually as part of NiSource financials.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-7: For each of the years 2000 to 2005, please identify and produce a copy of the business plan for payment of the debt and related obligations to acquire Colombia Energy Group. If no business plan was created to pay the debt and related obligations, identify and produce all reports, memos or other documents that show the progress payment of the debt and related obligations.

RESPONSE: Objection. This question relating to other non-jurisdictional companies is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Moreover, the question is a fishing expedition into the affairs of non-jurisdictional companies since it requests information belonging to entities that have no demonstrated effect on Bay State service to its customers.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-8: Were any of the budget targets in the budgets produced in response to AG 2-3 set, in whole or in part, as part of a plan to satisfy debt and related obligations incurred in the acquisition of the Colombia Energy Group? If yes, please identify the biggest targets.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2006, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. Moreover, the Attorney General has not demonstrated that CEG-related discovery has any bearing on this proceeding.

Notwithstanding this objection and the objection preserved as part of Bay State's response to AG-2-3, no budgets were established as part of a plan to satisfy debt and related obligations for CEG. Rather, budgets were established to represent the Company's best estimate, at the time that a budget was established, of the cost to provide an appropriate level of utility service for Bay State, including meeting all of the Company's service quality and public safety obligations.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President

AG 2-9: Produce copies of all Value Line reports for NiSource since its acquisition of the Colombia Energy Group.

RESPONSE: Please see Attachment AG-2-9 for the following four Value Line reports covering NiSource since the acquisition of Columbia Energy Group:

- July 4, 2003
- December 31, 2004
- September 30, 2005
- December 30, 2005

The NiSource Investor Relations group does not have readily available any other Value Line reports on NiSource during this period. Value Line is a subscription-based service, and NiSource currently does not have a subscription for this service. However, the Company is inquiring with Value Line whether it is able to obtain back-dated issues, and will supplement this response if it is able to locate any additional reports for the requested period.

Since Value Line is a subscription-based service and the publication is for the subscriber's own use, this report is not being provided electronically.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President

AG 2-10: Please refer to the Company's response to DTE-BSG-1-6, which reads:

DTE-BSG-1-6 Refer to BSG-1, at 17. Please provide all studies, analyses, etc. supporting the Company's contention that the acquisition of Columbia Energy Group resulted in stable prices for the Company's ratepayers.

RESPONSE: Mr. Bryant's comment on lines 6-8 of Exhibit BSG-1, at 17 related to price stability for its customers following NiSource's acquisition of the Columbia Energy Group were referring to non-gas prices. The evidence supporting this contention is inherent in the fact that Bay State did not file for a base rate increase following this acquisition, which occurred in 1999, until May 2005. Therefore, due to the aggressive cost management techniques employed by Bay State and NiSource during the period between 1999 and 2005, Bay State's customers enjoyed stable prices (i.e., base rates).

Since the Company was under a base rate freeze between 1999 and 2004 ordered by the Department in DTE 98-31, explain how "aggressive cost management techniques employed by Bay State and NiSource" resulted in stable prices for customers instead of the rate freeze? Under what circumstances could the Company have filed a based rate case during the rate freeze period?

RESPONSE: Aggressive cost management techniques produced sufficient revenues for Bay State to avoid seeking a premature end to the rate freeze. Had Bay State been unable to continue to provide adequate, safe, reliable, least cost service during the rate freeze period, it would have been consistent with the public interest and incumbent upon Bay State for Bay State to return to the Department so that the Department could evaluate the adequacy of its rate levels.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-11: Produce all e-mails between Bay State, its holding company, parent company or service company regarding cost categories and the budget targets identified in response to AG-2-4.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2006, when Bay State has met its service quality metrics for over three years. The request is overbroad. The question is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding.

Notwithstanding this objection, but rather specifically maintaining it, Bay State does not recognize the phrases "cost categories" or "budget targets" as part of its budgeting process, as described in detail in Bay State's response to AG-2-3. The budget process for Bay State alone literally involves hundreds of people within Bay State and the corporation who participate in the iterative process of establishing the budget and reviewing the forecasts to ensure inclusion of known changes and adjustments, from employees through to the senior management of NiSource. Some employees otherwise part of this process from 1999 through to the present may no longer work for the Company or its affiliates.

Over the 7-year period sought by the Attorney General, this search would lead to several hundred people (current and former employees) and thousands of e-mail messages. To create the query that would enable NiSource to conduct such a search would take hundreds of dedicated man-hours and untold dollars. Even if such a search could be conducted, there could be no assurance that "all" e-mails on the topic of budgeting would have been found.



COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-12: In which department(s) and cost categories included in the response to AG-2-3 was the Company not successful in reaching its budget targets?

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Materials dating to 1999 are irrelevant to this inquiry that takes place in 2005, when Bay State has met its service quality metrics for over three years. The request is not calculated to lead to evidence that will be admissible as to any material issue in this proceeding. As stated in its response to AG-2-4, Bay State asserts the request is unduly burdensome. Bay State has not conducted any analysis, nor has any "off the shelf" analysis as to which "departments and cost categories" were "not successful in reaching its budget targets." Accordingly, Bay State objects in that it is not required to create materials to support the Attorney General's case.

Notwithstanding the objection, but rather specifically maintaining it, please see Attachments AG-2-3 (A) and (B), which include variance columns illustrating the differences between baseline budgets and year-end actuals for O&M and capital expenses, respectively, by account categories for the years 1999 through 2005.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
SECOND SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-31

Date: August 21, 2006

Responsible: Stephen H. Bryant, President  
As to objection: Legal Counsel

AG 2-13: Produce all e-mails between Bay State, its holding company, parent company or service company regarding cost categories and the budget targets identified in response to AG 2-12.

RESPONSE: Objection. Please see Bay State's response to AG-2-11.